



TOWN OF
VICTORIA PARK

Special Council Meeting Agenda – 12 July 2022



WE'RE OPEN
VIC PARK

Please be advised that an **Special Council Meeting** will be held at **6:30 PM** on **Tuesday 12 July 2022** in the **Council Chambers**, Administration Centre at 99 Shepperton Road, Victoria Park.

Mr Anthony Vuleta – Chief Executive Officer
7 July 2022

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1 Declaration of opening

Acknowledgement of the traditional owners

Ngany djerapiny Wadjak – Noongar boodja-k yaakiny, nidja bilya bardook.

I am honoured to be standing on Whadjuk - Nyungar country on the banks of the Swan River.

Ngany kaaditj Noongar moort keny kaadak nidja Wadjak Noongar boodja. Ngany kaaditj nidja Noongar birdiya – koora, ye-ye, boorda, baalapiny moorditj Noongar kaaditjin, moort, wer boodja ye-ye.

I acknowledge the traditional custodians of this land and respect past, present and emerging leaders, their continuing cultural heritage, beliefs and relationship with the land, which continues to be important today.

Ngany youngka baalapiny Noongar birdiya wer moort nidja boodja.

I thank them for the contribution made to life in the Town of Victoria Park and to this region.

2 Announcements from the Presiding Member

2.1 Recording and live streaming of proceedings

In accordance with clause 39 of the *Town of Victoria Park Meeting Procedures Local Law 2019*, as the Presiding Member, I hereby give my permission for the administration to record proceedings of this meeting.

This meeting is also being live streamed on the Town's website. By being present at this meeting, members of the public consent to the possibility that their image and voice may be live streamed to public. Recordings are also made available on the Town's website following the meeting.

2.2 Public question time and public statement time

As this is a Special Council Meeting, any public questions or statements must relate to the business of the agenda.

There are guidelines that need to be adhered to in our Council meetings and during question and statement time people speaking are not to personalise any questions, or statements about Elected Members, or staff or use any possible defamatory remarks.

In accordance with clause 40 of the *Town of Victoria Park Meeting Procedures Local Law 2019*, a person addressing the Council shall extend due courtesy and respect to the Council and the processes under which it operates and shall comply with any direction by the presiding member.

A person present at or observing a meeting shall not create a disturbance at a meeting, by interrupting or interfering with the proceedings, whether by expressing approval or dissent, by conversing or by any other means.

When the presiding member speaks during public question time or public statement time any person then speaking, is to immediately stop and every person present is to preserve strict silence so that the presiding member may be heard without interruption.

2.3 No adverse reflection

In accordance with clause 56 of the *Town of Victoria Park Meeting Procedures Local Law 2019*, both Elected Members and the public when speaking are not to reflect adversely on the character or actions of Elected Members or employees.

2.4 *Town of Victoria Park Meeting Procedures Local Law 2019*

All meetings of the Council, committees and the electors are to be conducted in accordance with the Act, the Regulations and the *Town of Victoria Park Meeting Procedures Local Law 2019*.

3 Attendance

Mayor

Ms Karen Vernon

Banksia Ward

Deputy Mayor Claire Anderson
Cr Wilfred Hendriks

Jarraah Ward

Cr Jesse Hamer
Cr Jesvin Karimi
Cr Vicki Potter

Chief Executive Officer

Mr Anthony Vuleta

**Chief Operations Officer
A/Chief Financial Officer
Chief Community Planner**

Ms Natalie Adams
Mr Luke Ellis
Ms Natalie Martin Goode

**Manager Governance and Strategy
A/Finance Manager**

Ms Bana Brajanovic
Ms Grace Ursich

**Secretary
Public liaison**

Ms Amy Noon
Ms Alison Podmore

3.1 Apologies

3.2 Approved leave of absence

Banksia Ward

Cr Luana Lisandro
Cr Peter Devereux

Jarraah Ward

Cr Bronwyn Ife

4 Declarations of interest

Declarations of interest are to be made in writing prior to the commencement of the meeting.

Declaration of financial interests

A declaration under this section requires that the nature of the interest must be disclosed. Consequently, a member who has made a declaration must not preside, participate in, or be present during any discussion or decision-making procedure relating to the matter the subject of the declaration. An employee is required to disclose their financial interest and if required to do so by the Council must disclose the extent of the interest. Employees are required to disclose their financial interests where they are required to present verbal or written reports to the Council. Employees can continue to provide advice to the Council in the decision-making process if they have disclosed their interest.

Declaration of proximity interest

Elected members (in accordance with Regulation 11 of the Local Government [Rules of Conduct] Regulations 2007) and employees (in accordance with the Code of Conduct) are to declare an interest in a matter if the matter concerns: a) a proposed change to a planning scheme affecting land that adjoins the person's land; b) a proposed change to the zoning or use of land that adjoins the person's land; or c) a proposed development (as defined in section 5.63(5)) of land that adjoins the persons' land.

Land, the proposed land adjoins a person's land if: a) the proposal land, not being a thoroughfare, has a common boundary with the person's land; b) the proposal land, or any part of it, is directly across a thoroughfare from, the person's land; or c) the proposal land is that part of a thoroughfare that has a common boundary with the person's land. A person's land is a reference to any land owned by the person or in which the person has any estate or interest.

Declaration of interest affecting impartiality

Elected members (in accordance with Regulation 11 of the Local Government [Rules of Conduct] Regulations 2007) and employees (in accordance with the Code of Conduct) are required to declare any interest that may affect their impartiality in considering a matter. This declaration does not restrict any right to participate in or be present during the decision-making process. The Elected Member/employee is also encouraged to disclose the nature of the interest.

5 Public question time

6 Public statement time

7 Presentations

7.1 Petitions

7.2 Presentations

7.3 Deputations

8 Method of dealing with agenda business

9 Chief Financial Officer reports

9.1 2022-23 Annual Budget

Location	Town-wide
Reporting officer	Financial Services Controller
Responsible officer	Finance Manager
Voting requirement	Absolute majority
Attachments	<ol style="list-style-type: none">1. Annual Statutory Budget for 2022-2023 [9.1.1 - 36 pages]2. Capital Initiatives Budget & Carry Forwards for 2022-2023 [9.1.2 - 7 pages]3. Schedule of Fees & Charges for 2022-2023 [9.1.3 - 13 pages]4. Annual Waste and Recycling Service Charge Breakdown - Improved Residential Properties [9.1.4 - 1 page]5. Budget Participation 2022-2023 - Survey Data [9.1.5 - 17 pages]6. Budget Participation 2022-2023 - Community Workshop Data [9.1.6 - 2 pages]

Recommendation

That Council:

1. Adopts the Annual Statutory Budget for 2022-2023 pursuant to the provisions of Section 6.2 of the *Local Government Act 1995* (as amended), and Part 3 of the *Local Government (Financial Management) Regulations 1996*, as included in attachments, for the Town of Victoria Park for the 2022-2023 financial year, which includes the following:
 - (a) Statement of Comprehensive Income by Nature and Type showing a net result for that year of \$7,423,209
 - (b) Rate Setting Statement showing an amount required to be raised from rates of \$41,172,042
 - (c) Notes to, and forming part of, the budget
 - (d) Budget program schedules
 - (e) Transfers to/from reserve accounts as detailed
 - (f) The Schedule of Fees & Charges for 2022-2023
 - (g) Elected Members' fees and allowances
2. Differential rates, minimum payments, service charges and instalment payment arrangements
 - (a) Imposes the following differential rates, representing an average increase of 4.5%, for the 2022-2023 financial year for the purpose of yielding the deficiency disclosed by the 2022-2023 Annual Statutory Budget pursuant to Sections 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995*.
 - (i) Residential – GRV of 0.07773 cents in the dollar of gross rental value applicable to properties used primarily as a place of residence subject to a minimum rate of \$859 per assessment.
 - (ii) Non-Residential – GRV of 0.10230 cents in the dollar of gross rental value applicable to properties not used primarily as a place of residence subject to a minimum rate of \$1,246 per assessment.
 - (iii) All Vacant Land - GRV of 0.13531 cents in the dollar of gross rental value applicable to properties used primarily as vacant land subject to a minimum rate of \$1,583 per assessment.
 - (b) Imposes the following service charges for properties in the NRUPP Underground Power Program
 - (i) NRUPP - \$2,300
 - (c) Nominates the following due dates for rate payment in full and by instalments, pursuant to

Section 6.45 of the *Local Government Act 1995* and Regulation 64(2) of the *Local Government (Financial Management) Regulations 1996*.

(i) Full payment and first instalment due date 6 October 2022.

(ii) Second quarterly instalment due date 6 December 2022.

(iii) Third quarterly instalment due date 6 February 2023.

(iv) Fourth quarterly instalment due date 10 April 2023.

(d) Adopts an instalment administration charge where the owner has elected to pay rates (and service charges) through an instalment option of \$10 for each instalment after the initial instalment is paid (representing a total of \$30.00 over the second third and fourth installments), pursuant to Section 6.45 of the *Local Government Act 1995* and Regulation 67 of the *Local Government (Financial Management) Regulations 1996*.

(e) Adopts an interest rate of 4.0% where the owner has elected to pay rates and service charges through an instalment option, pursuant to Section 6.45 of the *Local Government Act 1995* and Regulation 68 of the *Local Government (Financial Management) Regulations 1996*.

(f) Adopts an interest rate of 7% for rates (and service charges) and costs of proceedings to recover such charges that remain unpaid after becoming due and payable, pursuant to Section 6.51(1) and subject to Section 6.51(4) of the *Local Government Act 1995* and Regulation 70 of the *Local Government (Financial Management) Regulations 1996* and clause 8(3) of the *Local Government (COVID-19 Response) Amendment Order 2022*.

(g) Notes that the additional charges and interest rate under (e) and (f) above cannot be applied to an excluded person, as defined in the *Local Government (COVID-19 Response) Amendment Order 2021*, that has been determined as suffering financial hardship as a consequence of the COVID-19 pandemic in accordance with Policy 308 – Financial Hardship.

3. Fees and Charges

(a) Adopts the Schedule of Fees and Charges for 2022-2023 as attached to, and forming part of, this report, pursuant to Section 6.16 of the *Local Government Act 1995*, Section 245A (8) of the *Local Government (Miscellaneous Provisions) Act 1960*, Section 67 of the *Waste Avoidance and Resources Recovery Act 2007*, and Regulation 53(2) of the *Building Regulations 2012*.

4. Elected Members' fees and allowances

(a) Adopts the following annual fees for payment of Elected Members in lieu of individual meeting attendance fees, pursuant to Section 5.98 of the *Local Government Act 1995* and Regulation 34 of the *Local Government (Administration) Regulations 1996*:

(i) Mayor \$31,928

(ii) Councillors \$23,811.

(b) Adopts the Information and Communication Technology allowance of \$3,500 for Elected Members, pursuant to Section 5.99A of the *Local Government Act 1995* and Regulations 34A and 34AA of the *Local Government (Administration) Regulations 1996*.

(c) Adopts the annual local government allowance of \$64,938 to be paid to the Mayor in addition to the annual meeting allowance, pursuant to Section 5.98(5) of the *Local Government Act 1995* and Regulation 33 of the *Local Government (Administration) Regulations 1996*.

(d) Adopts the annual local government allowance of \$16,234.50 to be paid to the Deputy Mayor in addition to the annual meeting allowance, pursuant to Section 5.98A of the *Local Government Act 1995* and Regulation 33A of the *Local Government (Administration) Regulations 1996*.

5. New loans

(a) Authorises the following new loans, pursuant to Section 6.20 of the *Local Government Act 1995*:

(i) Edward Millen Site - \$2,200,000.

6. Material variance reporting for 2022-2023

(a) Adopts the level to be used in Statements of Financial Activity in 2021-2022 for reporting material variances of any individual business unit/service area as an amount of (+) or (-) \$25,000, pursuant to Regulation 34(5) of the *Local Government (Financial Management) Regulations 1996*, and *Australian Accountings Standard AASB 1031 Materiality*.

Purpose

To facilitate final consideration of the recommended annual budget for 2022-2023, enabling the continued operation of the Town's works and service programs.

In brief

- As required by Section 6.2 of the *Local Government Act 1995*, a local government is required to prepare and adopt a budget for its municipal fund for the financial year ending 30 June 2023.
- Council has advertised its intention to levy differential rates and minimums for 2022-2023 which represents an average 4.5% rate rise generating rate revenue in the order of \$41.2 million contributing to total revenue of \$74.9 million.
- Total capital expenses in the order of \$29 million contributing to total expenditure of \$85.9 million.
- The budget statements presented have been prepared in accordance with the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards (to the extent that they are not inconsistent with the Act). The Annual Budget 2022-23 presents a balanced budget and is recommended for adoption by Council.

Background

1. Over the past three years Council has endorsed budgets that have resulted in decreases or low rate increases;
 - (b) In the 2019/20 budget, Council approved no increase to rates.
 - (c) In the 2020/21 budget, Council approved a 7.88% reduction in rates, with no increase in fees and charges, primarily in response to the economic impacts of the COVID-19 global pandemic.
 - (d) In the 2021/22 budget, Council increased rates by 0.88%.
2. Rate in the dollar and minimum rate figures set in previous years included the costs associated with waste services provided by the Town.
3. Since April 2020, the impact from the global pandemic has led Council to offer support for the community as a priority – this has been reflected in business relief initiatives, community group financial concessions and rates concessions. Like most organisations and businesses, the Town has experienced periods of lost revenue from government shutdowns and more recently escalating cost and supply pressures.
4. Through the same period Council has chosen to fund significant projects and initiatives from financial reserves with a total expected net reduction in reserves of \$15.6 million for the same three-year period.
5. At its October 2021 meeting Council endorsed a robust plan to achieve an annual budget for 2022-2023 reflective of the Town Strategies & Plans that provides the resources to deliver its broad range of works and services.

Strategic alignment

Civic Leadership	
Community priority	Intended public value outcome or impact
CL1 – Effectively managing resources and performance.	The 2022-2023 budget has been developed using a participatory approach with Elected Members to ensure the budget is reflective of the communities current needs.
CL2 - Communication and engagement with the community.	Administration aimed to check every decision made during the budget development process with the community prior to action.

Engagement

Internal engagement	
Stakeholder	Comments
Elected Members	Participatory engagement was completed with Elected Members over nine workshops with the administration.
Managers	Developed draft budget for towns programs, services and projects. Provided with regular updates.
C-Suite	Approval of service area draft budgets. Provided with weekly updates on the budget process, its key informing documents and the overall project delivery.
Service Area Leaders	Developed draft budget for towns programs, services and projects. Provided with regular updates.
Strategic Asset Advisory Group	Worked cross functionally to develop and recommend the capital works schedule.

External engagement	
Stakeholders	Ratepayers within the Town.
Period of engagement	Engagement with ratepayers on the proposed budget themes was conducted from 3 February 2022 to 5 March 2022.
Level of engagement	1. Inform 2. Consult
Methods of engagement	<ul style="list-style-type: none"> Your Thoughts online survey. Hard copy surveys. Three 'Cafe Conversation' workshops with Elected Members and ratepayers.
Advertising	<ul style="list-style-type: none"> Details of the advertising used to draw the community's attention to opportunity to engage e.g. newspaper advertisement, Town website,

	<p>posters at workshops, social media.</p> <ul style="list-style-type: none"> • Advertising tools to promote the online survey and Café conversations included: • Your Thoughts project page • Town website notices • Social media posts across Facebook and Instagram • Local newspaper display advert (PerthNow Southern) • Paid digital advertising on Facebook • Five EDM to eVIBE subscribers and survey/workshop respondents
Submission summary	The Town received 128 survey responses and 14 ratepayers attended the café conversations with Elected Members.
Key findings	<p>In the engagement on the proposed budget themes, respondents were asked for their level of support for the three focus areas, how important they thought each focus area was, and they were also asked to rank the focus areas from most to least important.</p> <p>Of the 128 survey responses:</p> <ul style="list-style-type: none"> • 92 (72.4%) supported the proposed budget focus areas • 19 (15%) were unsure • 16 (12.6%) opposed, and • 1 did not answer the question <p>In general, most respondents indicated that all three of the proposed budget themes were important. 'Green and Clean Vic Park' was ranked as the most important theme (average rank: 1.69), followed by 'Thriving and Vibrant Vic Park' as the second most important (average rank: 2.03), then 'Improving the Town's financial health' as the least important (average rank: 2.26).</p> <p>Across the three café conversation workshops, ratepayers were asked whether they supported a variety of proposed budget items spanning new initiatives, service level changes and capital works projects.</p> <p>The proposed budget items that received the highest and lowest levels of support are listed below.</p> <p>New initiatives</p> <p>Most support:</p> <ul style="list-style-type: none"> • Development of the Town's website • Oats Street Structure Plan <p>Least support:</p> <ul style="list-style-type: none"> • Mobile printing at the library <p>Capital works projects</p> <p>Most support:</p> <ul style="list-style-type: none"> • Harold Rossiter carparking lighting and public toilet upgrades • Leisurelife/Aqualife gym equipment renewal <p>Least support:</p>

- Internal refurbishment of admin building

Service level changes

- All five of the proposed service changes received high levels of support

Following the engagement period, all findings from the online survey and community workshops were sent to participants and made publicly available on Your Thoughts.

A copy of the survey data and a summary of the feedback recorded at the workshops is shown in Attachments 14.3.4 & 14.3.5

Legal compliance

[Section 6.2 of the Local Government Act 1995](#)

[Part 3 of the Local Government \(Financial Management\) Regulations 1996](#)

[Regulation 34 of the Local Government \(Financial Management\) Regulations 1996](#)

Risk management consideration

Risk impact category	Risk event description	Consequence rating	Likelihood rating	Overall risk level score	Council's risk appetite	Risk treatment option and rationale for actions
Financial	Potential reduction in the quality of assets provided and services delivered if the proposed annual budget is not adopted.	Moderate	Likely	High	Low	Treat risk by ensuring elected members have been involved in the annual budget process to ensure understanding and collaboration in order for the budget to be understood and adopted.
Environmental	N/A					
Health and safety	N/A					
Infrastructure/ ICT systems/ utilities	Potential reduction in the quality of assets provided if the proposed annual budget is not adopted.	Moderate	Unlikely	High	Medium	Treat risk by Ensuring elected members have been involved in the annual budget process to ensure understanding

						and collaboration in order for the budget to be understood and adopted.
Legislative compliance	Legislative compliance will not be adhered to if the annual budget is not adopted and forwarded as appropriate within the required timeframes.	Moderate	Unlikely	High	Low	Treat risk by Ensuring elected members have been involved in the annual budget process to ensure understanding and collaboration in order for the budget to be understood and adopted.
Reputation	Negative public perception if Council does not adopt the annual budget				Low	Treat risk by Ensuring elected members have been involved in the annual budget process to ensure understanding and collaboration in order for the budget to be adopted. Community submission periods.
Service delivery	Potential reduction in the quality of services delivered if the annual budget is not adopted.				Medium	Treat risk by Ensuring elected members have been involved in the annual budget process to ensure understanding and collaboration in order for the budget to be understood and adopted.

Financial implications

Current budget impact

The adoption of the 2022-2023 budget will enable the continuity of service delivery, maintenance of existing assets and generation of new assets in line with the Integrated Planning and Reporting Framework.

Analysis

6. The development of the draft annual budget to be presented for endorsement to Elected Members aimed to find an approach befitting the Town's fiscal position as we head towards some level of normality on the other side of the COVID-19 pandemic.
7. The draft budget was developed through an eight-month process including nine workshops which saw Elected Members consider the many facets of the budget with input and advice from a range of Town staff. The workshops addressed the following topics;
 - (a) Long Term Financial Plan
 - (b) Asset Management Plans
 - (c) Corporate Business Plans
 - (d) Community Participation
 - (e) Workforce Plan
 - (f) Place Plans
 - (g) Strategic Projects & Programs
 - (h) Advocacy Goals
 - (i) Budget Communications
 - (j) Rating Options
 - (k) Capital Works Projects
 - (l) Fees & Charges
 - (m) New initiatives
 - (n) Budget Modelling
 - (o) Reserves
 - (p) Carry Forwards
 - (q) Loans
8. Themes
 - (a) The budget was developed in line with Themes created with Elected Members and tested with the Community, these included;
 - Green and Clean Vic Park*
 - (i) Creating a green and clean Vic Park through sustainable and accessible urban design.
 - (ii) Taking action to address the climate emergency, which should underpin everything we do going forward.
 - Thriving and Vibrant Vic Park*
 - (iii) Building a thriving and vibrant Vic Park through events, community engagement, urban design and support for local business.
 - Improving the Town's financial health*
 - (iv) Improving the Town's financial health through focusing on asset renewals, projects that will lead to income generation, and a reduction of operating costs.
 - (b) These themes helped establish the foundational values guiding town staff as they prepared budget options, on which Elected Members could judge and compare various budget items and helped to frame the impetus behind budgetary decisions for the Community.
9. Communication and engagement
 - (a) This year, the Town pursued a participatory approach to the budget which sought to involve the public in the early phases of its formulation, including the testing of key focus areas – or themes – which would drive decision making. The intention for the engagement of Council and the

Community during the development of the budget was to confirm decisions at each key phase, collect community feedback to support Elected Member’s deliberations, and begin to bring Community members along on the journey to understanding how the budget has been built.

(b) Themes and narratives consultation

(i) The Elected Members were asked by administration to develop three themes (see point 8) that should be considered when creating the budget. These themes were then tested via a survey with the community to ensure we were on the right track.

(c) Workshop/cafe conversations with electors

(i) Following the themes and narrative consultation, administration then ran three workshops, at which Community members were given the opportunity to complete surveys giving feedback on a selection of capital projects and potential cost savings, as well as the chance to raise concerns and ideas with members of the Town’s Finance team and attending Elected Members.

(d) Your Thoughts

(i) During the development of the budget, regular updates were posted on the [Your Thoughts budget page](#) to offer the community insight into the progress being made and to help them understand the context in which key decisions, such as rate adjustments, were being considered.

10. Rates

(a) Landgate sets the Gross Rental Values (GRV) – the gross annual rental that a property might reasonably be expected to earn annually if it were rented – and Council determines the rate in the dollar. The GRV is multiplied by the rate in the dollar to give the total rates payable. The rate in the dollar differs for each differential rate, with Council having three differential rates, being Residential, Non-Residential and Vacant Land. These can be seen in Table 1. There are no recommended changes to the categories for 2022-2023.

(b) Council must also set a minimum payment for each rating category, shown in table 1, which cannot be charged to more than 50% of the total properties in each rate category i.e. Residential, Non-Residential and Vacant Land.

Table 1

Rating Category	Rate in the dollar	Minimum rate
Residential	\$0.07773	\$859
Non-residential	\$0.10230	\$1,246
Vacant land	\$0.13531	\$1,583

(c) The Town has a total of 18,051 properties which will be rated in the 2022-2023 financial year.

(d) The number of additional rateable properties being added to the rates base is 69.

(e) Total budgeted revenue from raising of rates for 2022-2023 financial year is \$41,072,547.

(f) This will be derived from rate in the dollar and minimum rates outlined above. These figures represent a 4.6% rate increase for non-residential and vacant land. For residential the average increase including waste charges is 4.5% which is slightly less due to the change in the proposed waste services charge outlined in paragraph 16.

(g) The Chief Executive Officer removed the 2022-2023 Draft Annual Budget from the June Ordinary Council Meeting for two reasons:

- (i) Firstly there was an error in the communicated potential increase of 4.6% against the advertised rate in the dollar and minimum rates in May 2022. The total difference in the proposed rates income was \$375,239 which is recommended to be funded by reducing transfers to reserves.
 - (ii) Secondly potential savings in the waste and recycling service charge that had been identified (detailed in paragraph 11).
- (h) The changes to recommended reserve transfer are;
- (i) \$175,239 from the Urban Forest Strategy reserve, with a transfer of \$254,761 recommended to be sent to this reserve.
 - (ii) \$150,000 from the Parking Benefits reserve, with a transfer of \$50,000 recommended to be sent to this reserve.
 - (iii) \$50,000 from the Pathways Renewal reserve, with a transfer of \$50,000 recommended to be sent to this reserve.
 - (iv) These reserves transfers were chosen based on the future requirements of the reserve while ensuring ongoing provisioning funding.

11. Fees & Charges

- (a) The Town's budgeted revenue from fees and charges is due to increase by 62%. This is largely due to a recommendation to separate the annual residential waste charge detailed as a waste and recycling service charge and has resulted in a change to how the income will be recognised. Previously this charge was included as part of the total rates raised however when separated equates to \$5.3 million in revenue.
- (b) The waste charge is made up of the following cost items;
- (i) Collection, sorting and recycling of
 - Kerbside domestic waste (red bin)
 - Kerbside co-mingled recycling (yellow bin)
 - Garden organic waste (green bin)
 - Green waste verge collection
 - Bulk waste verge collection
 - Hazardous waste collection
 - Public litter bins (including parks bins)
 - Illegal dumping
 - (ii) Community waste education including the annual waste & recycle guide
 - (iii) Ancillary waste related services such as litter and deceased animals, and
 - (iv) Operating expenditure such as maintenance of waste related assets and depreciation of assets including vehicles, plant items, facilities, equipment and bins.
- (c) The waste and recycling service charge is recommended to be separated primarily to allow for easier peer to peer comparison of council rates excluding waste management related costs and provides transparency in actual costs of the highest demand service provided by local councils. In addition, separating the waste charge from the rate in the dollar was included as part of the local government reform consultation and has been detailed under the full reform proposals released by the Minister 3 July 2022. The Town's proposed waste charge is currently competitive when compared to metropolitan Councils in WA.
- (d) This charge is applicable to all improved residential properties as they are all eligible for the suite of waste management services including bulk and green verge collections and processing, and organics collections and processing. This is not offered to non-residential properties.
- (e) The waste and recycling charge has been adjusted to \$331, down from the original proposed amount of \$340 shown in the draft budget documents presented to Council at its Agenda Briefing Forum held 7 June 2022. This is a result of proposed lowering of waste disposal fees, to be determined on 7 July, at the Mindarie Regional Council. The cost breakdown of the waste and recycling service charge can be found in the attachments for this report.

- (f) For future budget deliberations consideration should be given to reviewing and updating the inclusions for other waste related costs, changes to legislation and inclusion of non-residential properties.
- (g) The instrument to charge waste services in this manner sits under both the State Government's *Waste Avoidance and Resource Recovery Act 2007* and the *Local Government Act 1995*. The Town is recommending to impose a waste and recycling service charge on all improved residential properties. These properties cannot opt out of this charge. Whilst some properties enter into contracts with other waste providers for bulk collection, it is recommended that all properties are charged this rate as the fee covers additional services specified in 15(b) above that benefit all property owners.

12. Due to the nature of separating a fixed cost from the rates calculations, the percentage change between properties varied. Figure 1 displays the distribution of the Town's residential properties in buckets (deciles), each decile represents 10% of residential properties sorted by total annual charge. This total annual charge comprises the rates charge plus the waste and recycling charge proposed for the 2022-2023 financial year. Properties represented in the 1-10% decile receiving an average increase of \$44 and the 91-100% decile is an average decrease of \$110. Referring to Figure 1, there is a spike in the 21-30% decile which has the highest average increase of 11.8%. This is a result of the first two deciles containing properties on the minimum rate which was calculated at a flat percentage increase. The maximum rates increase to a residential property based on the proposed 2022-2023 rate in the dollar is \$148.

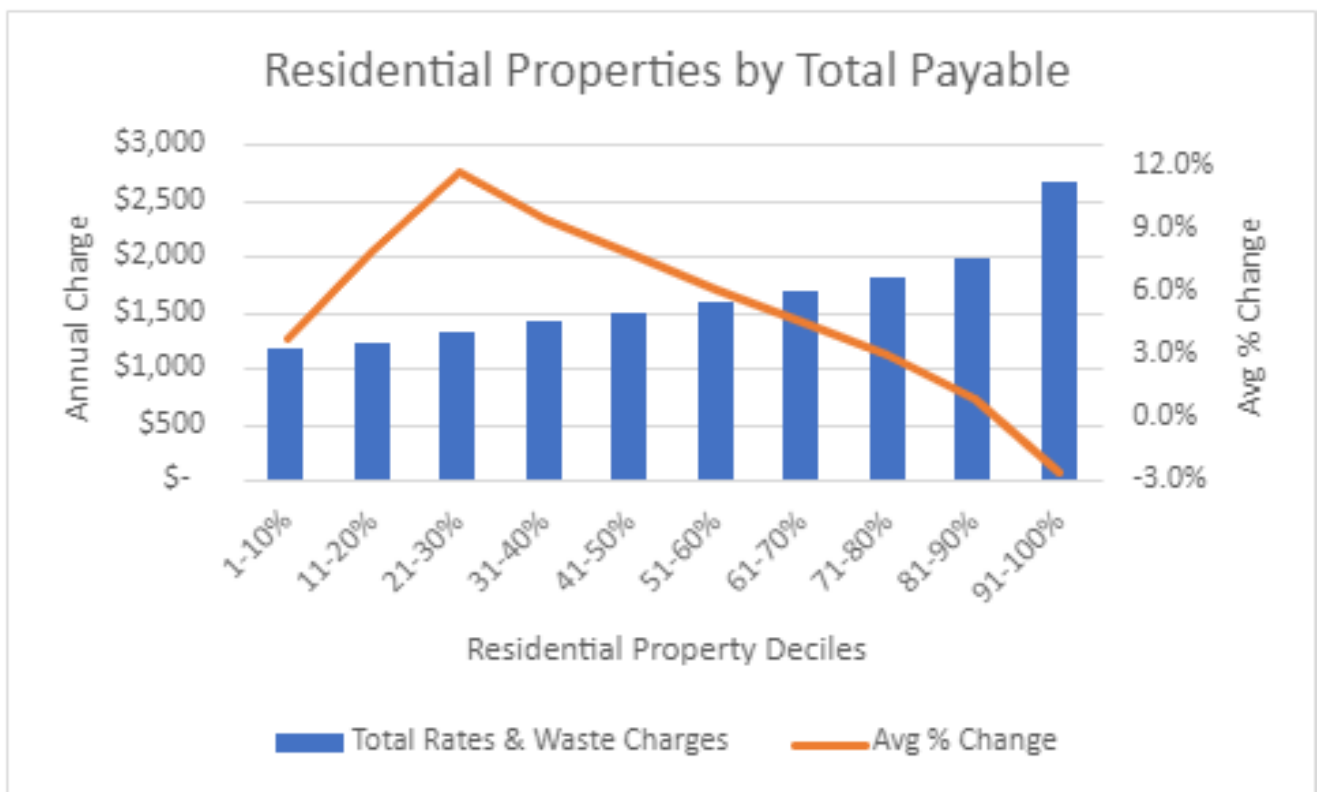


Figure 1

13. Should Council wish to continue to include waste charges in the differential rates rather than listing them separately as a fee than the rates, for the 2022-2023 financial year for the purpose of yielding the deficiency disclosed by the 2022-2023 Annual Statutory Budget pursuant to Sections 6.32, 6.33, 6.34 and 6.35 of the Local Government Act 1995 would be;

- (a) Residential – GRV of 9.614 cents in the dollar of gross rental value applicable to properties used primarily as a place of residence subject to a minimum rate of \$1,192 per assessment.
 - (b) Non-Residential – GRV of 10.230 cents in the dollar of gross rental value applicable to properties not used primarily as a place of residence subject to a minimum rate of \$1,246 per assessment.
 - (c) All Vacant Land - GRV of 13.531 cents in the dollar of gross rental value applicable to properties used primarily as vacant land subject to a minimum rate of \$1,583 per assessment.
14. Increases to fees and charges have been implemented to improve financial health across different areas of the Town or to bring fees and charges in line with pre-covid charges.
15. Service Level Changes
- (a) As part of the budget process, operational savings were identified and explored prior to recommending a rate increase. These service level changes providing operational savings were found in the areas outlined below:
 - (i) Customer service
 - (ii) Communications
 - (iii) Community Development
 - (iv) Parks and Reserves
 - (v) Place Planning
16. Service Charges
- (a) Total revenue budgeted from service charges for 2022-2023 financial year is \$1,554,800.
 - (b) This relates to service charges raised in relation to Western Power’s Network Renewal Undergrounding Program Pilot (NRUPP), in which Local Government Authorities cover the cost of replacing overhead service connections with underground power.
 - (c) The object of the charge is to apply a user charge on those receiving and benefiting from the NRUPP. The charge is to fund the costs associated with the underground power program and will affect all owners within the NRUPP area.
17. Grants
- (a) The Town is anticipating \$7.56 million in grant funding across a range of projects and services. The grants below are for projects receiving more than \$250,000 in grant funding;
 - (i) Lathlain Precinct Redevelopment Project Zone 1 - \$3,160,000.
 - (ii) Archer/Mint Streetscape Improvements - \$800,000
 - (iii) Archer/Orrong Intersection - \$679,047
 - (iv) Rutland Avenue Shared Path - \$600,000
 - (v) Shepperton/Miller Intersection - \$466,666
 - (vi) Berwick Street Road Renewal (Balmoral/Hill View) - \$421,144
 - (vii) Harold Rossiter Flood Lighting - \$390,000
 - (viii) Star/Briggs Street Upgrade - \$336,333
18. Projects
- (a) The recommended budget allows for delivery of a number of projects as part of the broader capital works program and includes:
 - (i) Edward Millen Heritage Redevelopment which will see the revitalization of the original heritage buildings into a community and entertainment hub of major significance. This is a partnership to make this area an iconic precinct involving The Town, private development Blackoak and the Federal Government through its Heritage Grant of \$4million to address the historic nature of the buildings.
 - (ii) Edward Millen Park which adjoins the Heritage Redevelopment is a parkland and playground that will feature specific areas to cater for people living with disability and those who are neurodiverse. Total cost \$6.8million.

- (iii) Lathlain Precinct Redevelopment Project Zone 1 has already commenced but will see the further redevelopment of the Lathlain Precinct in association with community groups and the Perth Football Club. Total cost \$5.2million
 - (iv) Archer Mint Streetscape Improvements seek to revitalise the streetscape in the Carlisle Town Centre on Archer Street, as well as delivering cycling infrastructure with a grant of \$800,000 from the Department of Transport. Total cost \$3.1million
 - (v) Rutland Avenue Shared Path will construct the section of path between Miller Street and Great Eastern Highway to provide safer cycling infrastructure with full funding from Main Roads WA. Total cost \$2.2 million
 - (vi) Landscaping and fencing along Victoria Park Drive between Marlee Loop and Roger Mackay Drive will be delivered to allow for permanent fencing as an alternative to the temporary fencing near the Stadium. Total cost \$150,000.
- (b) In addition to the construction phase of these projects, the Town will also be in design and planning phases on a number of other key projects which include:
- (i) Burswood Station East - Public Realm Improvements which has commenced but will continue to design the streetscape and parklands in the Stiles-Griffith- Goodwood area including Stiles Park and the connection to the Burswood Train Station. Total cost \$150,000.
 - (ii) Macmillan Precinct – Masterplan development and business case, which continues with the work commenced and will confirm the preferred precinct options. Total cost \$210,000.
 - (iii) Old Space New Places #3 – Intersection of Albany Highway and Rushton/Mackie Streets which will design what will become a new western gateway statement into the Town. Total cost \$150,000.
 - (iv) Higgins Park sporting field lighting which is a large contribution to ensure the lighting is upgraded to modern standards to meet the demand from our local sporting clubs. Total cost \$650,000.
 - (v) Macallum Active Area - Detailed Design, which will complete the design and allow the Town to finalise the works with a Federal contribution of \$2.5million.
- (c) The Town is also providing assistance in the delivery on Western Power’s Network Renewal Undergrounding Program Pilot (NRUPP).

19. Capital Works

- (a) The Town’s Strategic Asset Advisory Group (SAAG) is represented by Town staff from service areas who identify, deliver or maintain the capital assets of the Town.
- (b) SAAG commenced building a 5-year capital works program and a proposed 2022-2023 capital program in November 2021 which delivered a draft for consideration and discussion with Elected Member in February 2022. SAAG ensures that the program of work aligns to the Town’s informing strategies.
- (c) Following this initial draft and during the planned budget workshop series, Elected Members provided guidance and feedback on the size and character of the capital program they believed would best meet the Community’s needs. The factors considered included:
 - (i) discussions relating potential impacts to rates,
 - (ii) expectations regarding asset targets/indicators,
 - (iii) project prioritisation,
 - (iv) potential service expansion or reduction, and
 - (v) Budget themes to supplement the intent of the Town’s Strategic Community Plan and, by extension, its suite of Informing Strategies. The themes are discussed earlier in this report.
- (d) With this information, SAAG has further refined the proposed 2022-2023 capital program which forms a part of the proposed annual budget.
- (e) The proposed capital works program equates to \$28,980,568 with \$12,363,310 being new initiatives and \$16,617,258 for projects not completed within the 2021-2022 financial year and which will be completed within the 2022-2023 financial year. The attachment to this report provides a

comprehensive list of the proposed capital works including their funding sources (ie reserves and/or externally funded).

(f) There is a separate section within the Capital Initiatives Budget & Carry Forwards for 2022-2023 document which provides a complete listing of all items that are being carried forward.

20. Workforce

(a) There are no additional full time equivalent staff positions recommended in the draft 2022-2023 annual budget.

(b) The employee costs inclusive of salary, superannuation, allowances and other employee-related costs are \$25,231,789, an increase of 3.4% on 2021 – 2022.

(c) Changes to the salary costs include salary increases and variations to the mandatory employer superannuation contribution rates.

21. Reserves

(a) The proposed transfers detail a net decrease of \$6.46 million to the Town's reserves. These have been recommended to fund a portion of the capital works program and underground power-related expenses.

(b) Full detail on the proposed reserve transfers is included within the attached draft annual budget under note 9 and the capital works listing.

22. Loans

(a) The budget proposes no loans for new projects for 2022-2023 as the Town is reaching its loaning capacity with WA Treasury Corporation.

(b) The budget does include a carry forward load to be raised for the Edward Millen project to the value of \$2.2 million dollars. This will be raised in the 2022-2023 financial year once work has commenced and the funds are required.

23. Compliance

(a) The differential rating model and the statement of objects and reasons for each differential rates category was advertised in accordance with statutory requirements for 21 days.

(b) In compiling the annual budget, officers have, in accordance with the Local Government Accounting Manual produced by the Department of Local Government:

(i) identified recurring operating revenue and expenditure

(ii) prepared salary and wages schedules including proposed new staff positions, staff increment changes and enterprise agreement increases

(iii) prepared capital expenditure based, where possible, on long-term asset management plans;

(iv) confirmed grants for both operating and capital requirements

(v) determined and applied the assumptions for the opening current position from the previous financial year

(vi) identified any carry-forward projects into the new financial year

(vii) flagged committed funds and excluded these from the brought-forward balance in the determination of the current position

(viii) established if there is a budget deficit or surplus to be carried forward restricted to the prescribed amount

(ix) obtained estimates for non-current assets to be sold or traded in on new assets

(x) obtained estimates for insurance, including workers' compensation

(xi) updated the schedule of fees and charges for the next 12 months

(xii) compiled projected cash flows over the next 12 months to ensure there is sufficient liquidity to meet current commitments throughout the year

(xiii) prepared the budget document consistently with comparative financial results for the previous year

- (xiv) ensured that any surplus funds invested conform with the short-term requirements for drawdowns as and when the funds are required
 - (xv) completed all the required statutory schedules for adoption by Council.
- (c) Determination of material variance for reporting purposes
- (i) Each year Council is required to adopt a percentage or value for the purposes of reporting material variances in the monthly Financial Activity Statement.
 - (ii) This value or percentage is then used throughout the financial year to identify potential areas in Council's actual revenues and expenditures that may not be in keeping with Council's budget. The early identification of these potential issues can assist in better utilisation and allocation of Council funds and resources.
 - (iii) The values chosen should provide a good indication of variances that would not normally be able to be covered through Council's normal operations and should, therefore, be assessed to identify if a potential issue exists or not.
 - (iv) Council has previously used a value of (+) or (-) \$25,000, per business unit/service area, for each of the revenue and expenditure areas included in the Statement of Financial Activity, it is recommended that this value continue to be used.

24. Summary

- (a) The draft annual budget presented for endorsement to Elected Members has found a balance between rate increases, service delivery and infrastructure maintenance that is fair for, and benefits, the Community, while delivering a capital works program in the face of significant cost pressures with the previous year's inflation at 5.1% and the local government cost index at 4.5% (as at March 2022).

Relevant documents

[Local Government Act Reform information](#)

10 Public question time

11 Public statement time

12 Meeting closed to the public

Nil.

13 Closure